Liberal credit facilities for small units

*162. SHRI K. KALAVENKATA RAO: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether small enterprises are facing increased competition due to liberalized imports;

(b) the steps contemplated for resolving problems being faced by them including global competition and liberalized imports; and

(c) whether Government are considering grant of liberal credit facilities to small units as part of the steps proposed to be taken?

THE MINISTER OF SMALL SCALE INDUSTRIES (DR. C.P. THAKUR):(a) and (b) Liberalised imports due to the removal of Quantitative Restrictions (QRs) and reduction of tariff have exposed the SSI units to greater competition. However, even after the removal of QRs, protection to the industries is available in the form of raising customs duties upto the bound levels, imposing anti-dumping duties, taking safeguards measures in case of surge in imports, etc.

The Government has put in place several measures to help SSIs become globally competitive. These include special focus on areas such as technology upgradation, infrastructure assistance through cluster approach, timely availability of credit, adoption of modern management practices, use of electronic infrastructure and other IT applications to face the emerging challenges of trade liberalization.

A comprehensive policy package for the development of SSIs announced on 30th August, 2000, serves to enhance the competitiveness of SSIs through easier access to credit, availability of collateral free composite loan upto Rs. 25 lakhs, capital subsidy for technology upgradation and improved infrastructure.

(c) Some of the steps taken by the Government relating to grant of liberal credit facilities to SSI sector are as under:—

(i) As per the announcement made by the Finance Minister in the Union Budget 2003-04, the Indian Banks' Association has advised the banks to adopt the interest rate band of 2% above and below their prime lending rates for secured advances.

(ii) Banks have agreed to enhance the composite loan limit from Rs. 25 lakhs to Rs. 50 lakhs for the SSIs.

(iii) Ministry of SSI has identified 60 clusters for focused development of SSIs. The list of 60 clusters was sent by the Ministry of SSI to the RBI. RBI in turn has written to the commercial banks to formulate credit plans by incorporating the credit requirements of the SSI units in the State Credit Plans.

Increase in software export

*163. SHRI SANTOSH BAGRODIA:
SHRIMATI AMBIKA SONI:

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the outbreak of SARS in the recent past and the slump in economy in South East Asian Countries has resulted in increase in software export to the West;

(b) if so, by what percentage;

(c) the steps Government propose to take to help keep the upward trend in these exports; and

(d) if the answer to part (a) be in the negative, the reasons for which Indian software exporters were not able to capitalize on this opportunity?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SU. THIRUNAVUKKARASAR): (a) No, Sir.

(b) Does not arise.

(c) The main elements of the strategy for sustaining the growth of Software Exports are as follows:—

(i) Full exemption of the software and software services sector from licensing requirements.

(ii) 100% exemption from payment of duties for software exports.